

EXHIBIT A



JARVIS & MANDELL LLC
INTEGRATED PLANNING SOLUTIONS

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October 1, 2002

John & Lorraine:

Congratulations! We are about 90% done with the planning to reduce the 75%+ tax hit on John's IRA. After a great deal of negotiating and shopping to insurers, we have finally received final offers from the insurance carriers on the right types of policies we need to utilize as part of the CTS strategy (once we get formal applications and financial justification from you or your CPA).

Now that we know what the companies are willing to offer, we can give you solid projections as to what we can achieve for your family.

Here are some final materials for you to consider with respect to your IRA assets and your estate planning.

- As you know, your IRA and all other pension assets will be taxed at rates that may exceed 80% when you die. Given that you will not need these assets to support your quality of living in retirement, it makes sense for you to use these tax-disadvantaged assets to fund your estate plan. (In other words, If you're going to do any estate planning, you should do it with the funds presently in the *worst* tax position... those in the IRA)
- You have both had cancer within the last five years, so we were concerned that underwriting might be an issue. For that reason, we contacted two top life insurance companies, Mass Mutual and Lincoln, to have them compete for the better underwriting.
- Our strategy required us to secure \$50,000,000 of death benefit to absorb all \$4,000,000 of your retirement plan assets on a pre-tax basis. Financial underwriting was a concern as well. Using two insurers helped us secure as much death benefit as possible.

What were we able to accomplish?

Both companies were concerned about the medical underwriting. After a great deal of negotiation by both myself and our general agents, we were able to secure the following underwriting for each of you:

| | Mass Mutual | | Lincoln | |
|--------------------------|--------------|-------------------------------------|--------------|----------|
| | John | Lorraine | John | Lorraine |
| Rating | Standard | Standard +3 year extra charge | Standard | Standard |
| Initial Death Benefit | \$17,500,000 | | \$25,000,000 | |

With these limits, we can use \$3,000,000 from your IRA funds (which will be transferred to the Profits Sharing Plan PSP) to buy insurance on a pretax basis. When you remove the policy from your profit sharing plan, you will only be taxed on approximately \$1,100,000. This will save you income taxes of nearly \$1,000,000. In other words, if you simply took the funds out of the plan and paid taxes and THEN bought the insurance, you would pay nearly \$1 million MORE in income taxes.

By using your unified tax credit, you can then gift the policy to an Irrevocable Life Insurance Trust (ILIT) to remove it from your estate. If you do not yet have an ILIT for this purpose, David Mandell could easily draft one for you.

If you withdraw the remaining funds from your PSP and pay the income tax, you can then gift this additional \$630,000 to the trust to make the fourth annual premium. By doing this, you will be supporting two life insurance policies:

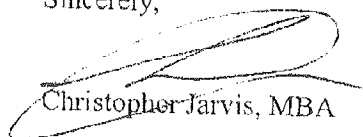
| | |
|---------------------|--------------|
| <i>Mass Mutual</i> | \$4,000,000 |
| <i>Lincoln Life</i> | \$10,000,000 |
| Total | \$14,000,000 |

If you look at the accompanying spreadsheets, you will see that this strategy will increase the after tax estate you leave your children by roughly **\$10,000,000 to \$12,000,000** in the years you and Lorraine are most likely to pass away (ages 7-25). *Even if you or Lorraine live for 30 more years, the benefit of this strategy to your family is still over \$9.1 million.* Further, from now until beyond your ages of 100, **your family is better off at each point in time by utilizing this strategy.**

Please review this material and call me at either (310) 407-2850 or (310) 890-1692 to discuss. I know that we had hoped to complete the entire process by today, October 1st, but the underwriting took much longer than we had anticipated. I imagine we can still get this done within a week.

Thanks again for your cooperation.

Sincerely,


Christopher Jarvis, MBA

John & Lorraine Repicci

Summary of Value of CTS to Repicci Family Compared to Doing Nothing

| Year | John's Lorraine's | | Doing Nothing | | | CTS Program | | | Benefit of CTS to Heirs |
|------|-------------------|-----|---------------|----------------|---------------|---------------|--------------------|---------------|-------------------------|
| | Age | Age | Value of IRA | Taxes to Heirs | Net to Family | Death Benefit | Taxes on Insurance | Net to Family | |
| 1 | 66 | 65 | \$4,000,000 | \$3,341,120 | \$658,880 | \$42,500,000 | \$21,250,000 | \$21,250,000 | \$20,351,120 |
| 2 | 67 | 66 | \$4,240,000 | \$3,541,587 | \$698,413 | \$42,500,000 | \$21,250,000 | \$21,250,000 | \$20,297,187 |
| 3 | 68 | 67 | \$4,494,400 | \$3,754,082 | \$740,318 | \$42,500,000 | \$21,250,000 | \$21,250,000 | \$20,240,018 |
| 10 | 75 | 74 | \$6,757,916 | \$5,644,752 | \$1,113,164 | \$14,000,000 | \$0 | \$14,000,000 | \$12,481,361 |
| 15 | 80 | 79 | \$9,043,616 | \$7,553,951 | \$1,489,664 | \$4,000,000 | \$0 | \$14,000,000 | \$11,967,719 |
| 20 | 85 | 84 | \$12,102,398 | \$10,108,891 | \$1,993,507 | \$4,000,000 | \$0 | \$14,000,000 | \$11,280,349 |
| 25 | 90 | 89 | \$16,195,739 | \$13,527,977 | \$2,667,762 | \$4,000,000 | \$0 | \$14,000,000 | \$10,360,494 |
| 30 | 95 | 94 | \$21,673,552 | \$18,103,484 | \$3,570,067 | \$4,000,000 | \$0 | \$14,000,000 | \$9,129,519 |

Years 1 - 3 have PS-58 (or equivalent) tax. It will change with new tables, but there is some small tax. Will find out how much.

John Repicci

Outline of Cash Flow of CTS to John and Lorraine

| Year | Age | Pension/IRA Value | 5% Growth | Inside Plan Premium | | Withdrawal | Income Tax | Outside Plan Premium | | Death Benefit |
|------|-----|----------------------|--------------|---------------------|-----------|-------------|---------------|----------------------|----------|------------------|
| | | | | Mass Mutual | Lincoln | | | Mass Mutual | Lincoln | |
| 1 | 66 | \$4,000,000 | \$170,000 | \$600,000 | \$400,000 | \$0 | note | \$0 | \$0 | \$42,500,000 |
| 2 | 67 | \$3,170,000 | \$128,500 | \$600,000 | \$400,000 | \$0 | note | \$0 | \$0 | \$42,500,000 |
| 3 | 68 | \$2,298,500 | \$84,925 | \$600,000 | \$400,000 | \$0 | note | \$0 | \$0 | \$42,500,000 |
| 4 | 69 | \$1,383,425 | \$0 | \$0 | \$0 | \$1,383,425 | \$664,044 | \$633,264 | \$30,780 | \$14,000,000 |
| 5 | 70 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$14,000,000 |
| 6 | 71 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$14,000,000 |
| 7 | 72 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$14,000,000 |
| 8 | 73 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$14,000,000 |
| 9 | 74 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$14,000,000 |

Years 1 - 3 have PS 58 (or equivalent) tax. It will change with new tables, but there is some small tax. Will find out how much.

John Repicci**Analysis of Value of Pension/IRA to Your Family with No Planning**

| <u>Year</u> | <u>Age</u> | <u>Pension/IRA Value</u> | <u>6% Growth</u> | <u>Estate Tax</u> | <u>Income Tax</u> | <u>Left to Heirs</u> |
|-------------|------------|------------------------------|----------------------|-----------------------|-----------------------|--------------------------|
| 1 | 66 | \$4,000,000 | \$240,000 | \$2,120,000 | \$1,221,120 | \$898,880 |
| 2 | 67 | \$4,240,000 | \$254,400 | \$2,247,200 | \$1,294,387 | \$952,813 |
| 3 | 68 | \$4,494,400 | \$269,664 | \$2,382,032 | \$1,372,050 | \$1,009,982 |
| 4 | 69 | \$4,764,064 | \$285,844 | \$2,524,954 | \$1,454,373 | \$1,070,580 |
| 5 | 70 | \$5,049,908 | \$302,994 | \$2,676,451 | \$1,541,636 | \$1,134,815 |
| 6 | 71 | \$5,352,902 | \$321,174 | \$2,837,038 | \$1,634,134 | \$1,202,904 |
| 7 | 72 | \$5,674,076 | \$340,445 | \$3,007,261 | \$1,732,182 | \$1,275,078 |
| 8 | 73 | \$6,014,521 | \$360,871 | \$3,187,696 | \$1,836,113 | \$1,351,583 |
| 9 | 74 | \$6,375,392 | \$382,524 | \$3,378,958 | \$1,946,280 | \$1,432,678 |
| 10 | 75 | \$6,757,916 | \$405,475 | \$3,581,695 | \$2,063,057 | \$1,518,639 |
| 11 | 76 | \$7,163,391 | \$429,803 | \$3,796,597 | \$2,186,840 | \$1,609,757 |
| 12 | 77 | \$7,593,194 | \$455,592 | \$4,024,393 | \$2,318,050 | \$1,706,343 |
| 13 | 78 | \$8,048,786 | \$482,927 | \$4,265,857 | \$2,457,133 | \$1,808,723 |
| 14 | 79 | \$8,531,713 | \$511,903 | \$4,521,808 | \$2,604,561 | \$1,917,247 |
| 15 | 80 | \$9,043,616 | \$542,617 | \$4,793,116 | \$2,760,835 | \$2,032,281 |
| 16 | 81 | \$9,586,233 | \$575,174 | \$5,080,703 | \$2,926,485 | \$2,154,218 |
| 17 | 82 | \$10,161,407 | \$609,684 | \$5,385,546 | \$3,102,074 | \$2,283,471 |
| 18 | 83 | \$10,771,091 | \$646,265 | \$5,708,678 | \$3,288,199 | \$2,420,480 |
| 19 | 84 | \$11,417,357 | \$685,041 | \$6,051,199 | \$3,485,491 | \$2,565,708 |
| 20 | 85 | \$12,102,398 | \$726,144 | \$6,414,271 | \$3,694,620 | \$2,719,651 |
| 21 | 86 | \$12,828,542 | \$769,713 | \$6,799,127 | \$3,916,297 | \$2,882,830 |
| 22 | 87 | \$13,598,254 | \$815,895 | \$7,207,075 | \$4,151,275 | \$3,055,800 |
| 23 | 88 | \$14,414,150 | \$864,849 | \$7,639,499 | \$4,400,352 | \$3,239,148 |
| 24 | 89 | \$15,278,999 | \$916,740 | \$8,097,869 | \$4,664,373 | \$3,433,497 |
| 25 | 90 | \$16,195,739 | \$971,744 | \$8,583,741 | \$4,944,235 | \$3,639,506 |
| 26 | 91 | \$17,167,483 | \$1,030,049 | \$9,098,766 | \$5,240,889 | \$3,857,877 |
| 27 | 92 | \$18,197,532 | \$1,091,852 | \$9,644,592 | \$5,555,343 | \$4,089,349 |
| 28 | 93 | \$19,289,384 | \$1,157,363 | \$10,223,373 | \$5,888,663 | \$4,334,710 |
| 29 | 94 | \$20,446,747 | \$1,226,805 | \$10,836,776 | \$6,241,983 | \$4,594,793 |
| 30 | 95 | \$21,673,552 | \$1,300,413 | \$11,486,982 | \$6,616,502 | \$4,870,481 |

Even with 6% returns, if you or Lorraine live for 30 years, your kids only receive ONE-THIRD as much.
The CTS is worth 3 to 10 times as much to your family.

John & Lorraine Repicci

Outline of CTS Plan and Analysis of Value to Your Family

| Year | Age | Pension/IRA Value | 5% Growth | Inside Plan Premium | Withdrawal | Income Tax | Outside Plan Premium | Death Benefit | Taxes on Insurance | Net to Heirs | Benefit to Heirs |
|------|-----|-------------------|-----------|---------------------|-------------|------------|----------------------|---------------|--------------------|--------------|------------------|
| 1 | 66 | \$4,000,000 | \$150,000 | \$1,000,000 | \$0 | note | | \$42,500,000 | \$21,250,000 | \$21,250,000 | \$20,351,120 |
| 2 | 67 | \$3,150,000 | \$107,500 | \$1,000,000 | \$0 | note | | \$42,500,000 | \$21,250,000 | \$21,250,000 | \$20,297,187 |
| 3 | 68 | \$2,257,500 | \$62,875 | \$1,000,000 | \$0 | note | | \$42,500,000 | \$21,250,000 | \$21,250,000 | \$20,240,018 |
| 4 | 69 | \$1,320,375 | \$0 | \$0 | \$1,320,375 | \$633,780 | \$633,780 | \$14,000,000 | \$7,000,000 | \$7,000,000 | \$5,929,420 |
| 5 | 70 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$14,000,000 | \$7,000,000 | \$7,000,000 | \$5,865,185 |
| 6 | 71 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$14,000,000 | \$7,000,000 | \$7,000,000 | \$5,797,096 |
| 7 | 72 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$14,000,000 | \$0 | \$14,000,000 | \$12,724,922 |
| 8 | 73 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$14,000,000 | \$0 | \$14,000,000 | \$12,648,417 |
| 9 | 74 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$14,000,000 | \$0 | \$14,000,000 | \$12,567,322 |
| 10 | 75 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$14,000,000 | \$0 | \$14,000,000 | \$12,481,361 |
| 11 | 76 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$14,000,000 | \$0 | \$14,000,000 | \$12,390,243 |
| 12 | 77 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$14,000,000 | \$0 | \$14,000,000 | \$12,293,657 |
| 13 | 78 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$14,000,000 | \$0 | \$14,000,000 | \$12,191,277 |
| 14 | 79 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$14,000,000 | \$0 | \$14,000,000 | \$12,082,753 |
| 15 | 80 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$14,000,000 | \$0 | \$14,000,000 | \$11,967,719 |
| 16 | 81 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$14,000,000 | \$0 | \$14,000,000 | \$11,845,782 |
| 17 | 82 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$14,000,000 | \$0 | \$14,000,000 | \$11,716,529 |
| 18 | 83 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$14,000,000 | \$0 | \$14,000,000 | \$11,579,520 |
| 19 | 84 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$14,000,000 | \$0 | \$14,000,000 | \$11,434,292 |
| 20 | 85 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$14,000,000 | \$0 | \$14,000,000 | \$11,280,349 |
| 21 | 86 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$14,000,000 | \$0 | \$14,000,000 | \$11,117,170 |
| 22 | 87 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$14,000,000 | \$0 | \$14,000,000 | \$10,944,200 |
| 23 | 88 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$14,000,000 | \$0 | \$14,000,000 | \$10,760,852 |
| 24 | 89 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$14,000,000 | \$0 | \$14,000,000 | \$10,566,503 |
| 25 | 90 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$14,000,000 | \$0 | \$14,000,000 | \$10,360,494 |
| 26 | 91 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$14,000,000 | \$0 | \$14,000,000 | \$10,142,123 |
| 27 | 92 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$14,000,000 | \$0 | \$14,000,000 | \$9,910,651 |
| 28 | 93 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$14,000,000 | \$0 | \$14,000,000 | \$9,665,290 |
| 29 | 94 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$14,000,000 | \$0 | \$14,000,000 | \$9,405,207 |
| 30 | 95 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$14,000,000 | \$0 | \$14,000,000 | \$9,128,519 |
| 31 | 96 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$14,000,000 | \$0 | \$14,000,000 | \$8,837,291 |
| 32 | 97 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$14,000,000 | \$0 | \$14,000,000 | \$8,527,526 |
| 33 | 98 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$14,000,000 | \$0 | \$14,000,000 | \$8,199,180 |
| 34 | 99 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$14,000,000 | \$0 | \$14,000,000 | \$7,851,131 |
| 35 | 100 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$14,000,000 | \$0 | \$14,000,000 | \$7,482,198 |
| 36 | 101 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$14,000,000 | \$0 | \$14,000,000 | \$7,091,130 |

Years 1 - 3 have PS-58 (or equivalent) tax. It will change with new tables, but there is some small tax. Will find out how much.